



DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-119]

Preliminary Results of Changed Circumstances Review: Antidumping Duty Order on Certain Vertical Shaft Engines Between 225cc and 999cc, and Parts Thereof from the People's Republic of China

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that Honda Power Products (China) Co., Ltd. (Honda) is the successor-in-interest to Jialing-Honda Motors Co., Ltd. (Jialing) and, accordingly, that subject merchandise produced and exported by Honda should be assigned the cash deposit rate established for subject merchandise produced and exported by Jialing for purposes of the antidumping duty (AD) order on certain vertical shaft engines between 225cc and 999cc, and parts thereof (vertical shaft engines) from the People's Republic of China (China).

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Leo Ayala AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3945, respectively.

SUPPLEMENTARY INFORMATION:

Background

On February 22, 2022, Commerce published the initiation of a changed circumstances review (CCR) of the AD order¹ on vertical shaft engines from China.² Commerce declined to combine the *Initiation Notice* with the preliminary results of the CCR,³ citing the need to issue an additional supplemental questionnaire to Honda regarding Honda's customer base and supplier relationships. On February 15, 2022, we issued a supplemental questionnaire to Honda requesting this information.⁴ On March 8, 2022, Honda timely responded to this supplemental questionnaire.⁵ No other interested party submitted comments or factual information regarding Honda's request.

Scope of the Order

The products covered by the *Order* are large vertical shaft engines from China. For a complete description of the scope of the *Order*, see the Preliminary Decision Memorandum.⁶

Legal Framework

In determining whether one company is the successor-in-interest to another company as part of an AD proceeding, Commerce examines several factors including, but not limited to: (1) management and ownership; (2) production facilities; (3) supplier relationships; and (4) customer base.⁷ Although no single, or even several, of these factors will necessarily provide a

¹ See *Certain Vertical Shaft Engines Between 225cc and 999cc, and Parts Thereof from the People's Republic of China: Amended Final Antidumping Duty Determination and Antidumping Duty Order*, 86 FR 12623 (March 4, 2021) (*Amended Final Determination and Order*); see also *Certain Large Vertical Shaft Engines Between 225cc and 999cc, and Parts Thereof, from the People's Republic of China: Notice of Correction to the Amended Final Antidumping Duty Determination and Antidumping Duty Order*, 86 FR 13694 (March 10, 2021).

² See *Initiation of Antidumping Duty Changed Circumstances Review: Certain Vertical Shaft Engines Between 225cc and 999cc, and Parts Thereof from the People's Republic of China*, 86 FR 9573 (February 22, 2022) (*Initiation Notice*).

³ See 19 CFR 351.221(c)(3)(ii).

⁴ See Commerce's Letter, "Certain Vertical Shaft Engines Between 225cc and 999cc, and Parts Thereof from the People's Republic of China: Changed Circumstances Review; Second Supplemental Questionnaire," dated February 15, 2022.

⁵ See Honda's Letter, "Certain Vertical Shaft Engines Between 225cc and 999cc, and Parts Thereof from the People's Republic of China: Changed Circumstances Review; Second Supplemental Questionnaire," dated March 8, 2022.

⁶ See Memorandum, "Certain Vertical Shaft Engines Between 225cc and 999cc, and Parts Thereof from the People's Republic of China: Preliminary Results of the Changed Circumstances Review; Preliminary Decision Memorandum," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁷ See, e.g., *Ball Bearings and Parts Thereof from France: Final Results of Changed-Circumstances Review*, 75 FR 34688 (June 18, 2010), and accompanying Issues and Decision Memorandum (IDM) at Comment 1.

dispositive indication of succession, generally, Commerce will consider a company to be the successor-in-interest if its resulting operation is not materially dissimilar to that of its predecessor.⁸ Thus, if the “totality of circumstances” demonstrate that, with respect to the production and sale of the subject merchandise, the new company operates as essentially the same business entity as the prior company, Commerce will assign the successor-in-interest the cash deposit rate of its predecessor.⁹

Preliminary Results of Review

We preliminarily determine that Honda is the successor-in-interest to Jialing for purposes of the *Order*. Record evidence submitted by Honda indicates that, based on the totality of the circumstances under Commerce’s successor-in-interest criteria, Honda operates as materially the same business entity as Jialing with respect to the production and sale of subject merchandise. In particular, we preliminarily find that Honda’s management and ownership, production facilities, supplier relationships, and customer base with regard to the subject merchandise are substantially the same as Jialing’s before the name change. For the complete successor-in-interest analysis, *see* the Preliminary Decision Memorandum.

Therefore, based on record evidence, we preliminarily determine that Honda is the successor-in-interest to Jialing and the cash deposit rate assigned to Jialing should be the rate for Honda as a result of our successor-in-interest finding. Should our final results of review remain the same as these preliminary results of review, Honda will be assigned the cash deposit rate currently assigned to Jialing with respect to the subject merchandise (*i.e.*, 261.93 percent)¹⁰. We will thus instruct U.S. Customs and Border Protection to suspend liquidation of entries of vertical

⁸ *See, e.g., Fresh and Chilled Atlantic Salmon from Norway; Final Results of Changed Circumstances Antidumping Duty Administrative Review*, 64 FR 9979, 9980 (March 1, 1999).

⁹ *See, e.g., id.*; and *Brass Sheet and Strip from Canada: Final Results of Administrative Review*, 57 FR 20461 (May 13, 1992), and accompanying IDM at Comment 1.

¹⁰ *See Certain Vertical Shaft Engines Between 225cc and 999cc, and Parts Thereof from the People’s Republic of China: Amended Final Antidumping Duty Determination and Antidumping Duty Order*, 86 FR 12623 (March 4, 2021).

shaft engines from China produced and exported by Honda, effective on the publication date of the final results, at the cash deposit rate for estimated antidumping duties assigned to Jialing.

Public Comment

In accordance with 19 CFR 351.309(c)(1)(ii), interested parties may submit case briefs not later than 30 days after the date of publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than seven days after the due date for case briefs, in accordance with 19 CFR 351.309(d).¹¹ Parties who submit case or rebuttal briefs are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹²

All comments are to be filed electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS) and must be served on interested parties.¹³ Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.¹⁴ An electronically filed document must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Time on the day on which it is due.

Pursuant to 19 CFR 351.310(c), any interested party may request a hearing within 30 days of publication of this notice in the *Federal Register*. Hearing requests should contain the following information: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations at the hearing will be limited to issues raised in the briefs. If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined. Parties should confirm the date and the time of the hearing two days before the scheduled date.

Final Results of Review

¹¹ Commerce is exercising its discretion under 19 CFR 351.309(d)(1) to alter the time limit for the filing of rebuttal briefs.

¹² See 19 CFR 351.30(c)(2) and (d)(2).

¹³ See generally 19 CFR 351.303.

¹⁴ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

Consistent with 19 CFR 351.216(e), we intend to issue the final results of this CCR no later than 270 days after the date on which this review was initiated, or within 45 days if all parties agree to the outcome of the review.

Notification to Interested Parties

This notice is published in accordance with sections 751(b)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(4).

Dated: June 2, 2022.

/S/ Lisa W. Wang

Lisa W. Wang,
Assistant Secretary
for Enforcement and Compliance.

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